



Patrick W. Henning, Director  
March 17, 2009

22M:375:JEP:9027



Arnold Schwarzenegger  
Governor

Mr. Michael Curran, Director  
North Santa Clara Valley Job Training Consortium  
505 W. Olive, STE 550  
Sunnyvale, CA 94086

Dear Mr. Curran:

WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the North Santa Clara Valley Job Training Consortium's (NOVA) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Ms. Jennifer Patel from September 15, 2008 through September 19, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by NOVA with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with NOVA representatives and service provider staff. In addition, this report includes the results of our review of selected case files, NOVA's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on December 19, 2008, and reviewed your comments and documentation before finalizing this report. Your response adequately addressed finding one cited in the draft report. However, this issue will

remain open until we receive the documentation requested to resolve the issue that led to finding number one. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90021. Additionally, your response adequately addressed finding number two cited in the draft report, no further action is required and we consider the issue resolved.

## **BACKGROUND**

The NOVA was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. Planned expenditure and participant information is not available for PY 2008-09. For this reason, the following information is for PY 2007-08. The NOVA was allocated: \$799,324 to serve 201 adult participants; \$785,276 to serve 189 youth participants; and \$1,067,832 to serve 700 dislocated worker participants.

For the quarter ending June 30, 2008, NOVA reported the following expenditures for its WIA programs: \$611,378 for adult participants; \$671,123 for youth participants; and \$872,411 for dislocated worker participants. In addition, NOVA reported the following enrollments: 545 adult participants; 169 youth participants; and 1,289 dislocated worker participants. We reviewed case files for 35 of the 2,003 participants enrolled in the WIA program as of September 15, 2008.

## **PROGRAM REVIEW RESULTS**

While we concluded that, overall, NOVA is meeting applicable WIA requirements concerning grant program administration, we noted instances of noncompliance in the following areas: Workforce Investment Board (WIB) composition and Job Training Automation (JTA) system reporting. The findings that we identified in these areas, our recommendations, and NOVA's proposed resolution of the findings are specified below.

### **FINDING 1**

**Requirement:** WIA Section 117(b)(2)(A)(iii)&(vi) states, in part, that the membership of each Local Board shall include representatives of labor organizations and of each of the one-stop partners.

20 CFR Section 662.200(b)(6) states, in part, that the local area is required to have a partner providing programs authorized under Title 1 of WIA serving Adults, Dislocated Workers, Youth, Job Corps, and senior employment activities authorized under Title V of the Older Americans Act.

WIAD06-21 states, in part, that at least 15 percent of local board members shall be representatives of labor organizations unless the local labor federation fails to nominate enough members. If this occurs, then at least 10 percent of the local board members shall be representatives of labor organizations.

**Observation:**

The NOVA WIB is missing a representative from its partner, Job Corps. The NOVA WIB has never had a Job Corp representative. The NOVA WIB is also missing a representative from its partner providing programs serving Adults, Dislocated Workers, and Youth. The NOVA WIB has never had an official elected member on the WIB from its partner providing the above programs. Additionally, the NOVA WIB is missing a representative from its Older Worker partner, National Council on Aging; the Older Worker position has been vacant since October 2006. Finally, NOVA's WIB does not meet the 15 percent requirement for labor organization representation. Specifically, NOVA's WIB consists of 30 members, requiring at least five members be representatives from labor organizations. The NOVA currently has 3 members from labor organizations. The NOVA stated that they are currently working on recruiting more labor organization representatives.

**Recommendation:**

We recommended that NOVA provide the Compliance Review Office (CRO) with a corrective action plan (CAP), including a timeline, for appointing a representative from Job Corps, a representative from its partner serving Adults, Dislocated Workers and Youth, a representative from its partner providing services under the Older Americans Act, and two more labor representatives. Additionally, we recommend that NOVA provide CRO with documentation demonstrating that these appointments were made.

**NOVA  
Response:**

The NOVA stated that there is no Job Corps in their area. It was determined that Job Corps would have more impact with a representative on NOVA's Youth Council. Job Corps has co-located staff in NOVA's Youth Employment Office.

Additionally, the NOVA stated that Dr. Barbara Malaspina, who represents Adult Education of the WIB, serves as chair of the Youth Council. To represent Dislocated Workers, a proposal to create a new seat on the WIB for a City of Sunnyvale staff will be

presented to the WIB in its March 2009 meeting. The Sunnyvale City manager is prepared to make a nomination.

The NOVA has also requested that Mr. Nicholas de Lorenzo, who represents the National Council on Aging, provide a nomination for a representative to sit on the WIB. Mr. de Lorenzo stated that, at this time, he does not have the staff capacity to make an appropriate nomination. The NOVA will re-submit the request in January, 2009. As of February 2009, NOVA still has not been provided nominations from the National Council on Aging.

Lastly, NOVA stated that Carl Cimino, the Director of the Pipes Trades training center, was appointed to the WIB on December 9, 2008. The NOVA will also renew its current request with Mr. Tim Rainey, Executive Director of the Workforce and Economic Development Program of the California Labor Federation AFL-CIO, in January for an additional nomination. As of February 2009, no response from Mr. Tim Rainey has been received.

**State Conclusion:** The NOVA's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we receive documentation that the vacancies have been filled by the required representatives. Until then, this issue remains open and has been assigned CATS number 90021.

## **FINDING 2**

**Requirement:** WIA 185(c)(2) states, in part, that each local board and each recipient receiving funds shall maintain comparable management information systems designed to facilitate the uniform compilation and analysis of programmatic, participant, and financial data necessary for monitoring and evaluating purposes. In addition, WIA 185(d)(1)(B) states, in part, that information to be included in reports shall include information regarding the programs and activities in which participants are enrolled, and the length of time that participants are engaged in such programs and activities.

WIAD04-17 states, in part, that all recipients of WIA funds will submit client data via the Job Training Automation (JTA) system, complying with the specifications for each data field. Additionally, this directive defines activity codes for the enrollment forms.

**Observation:** We observed that 5 of 35 youth participants were receiving educational achievement services, but the services were not reported in the JTA system. Specifically, the participants were enrolled in post secondary education. The NOVA stated they were waiting for clarification from the JTA Helpdesk on which activity codes to use for training provided to youth that is paid for with Non-WIA funding. Subsequent to the review, the JTA Helpdesk provided guidance stating that activity code 75 should be used for younger youth and activity code 60 should be used for older youth.

**Recommendation:** We recommended that NOVA provide to CRO a CAP stating how it will ensure that all participants receiving educational achievement services are accurately reported in the JTA system. Additionally, we recommend that NOVA provide a copy of its report showing that educational achievement services has been appropriately reported for the five youth participants referenced above.

**NOVA Response:** The NOVA stated that with clarification from the JTA helpdesk, NOVA has revised the local enrollment guidelines to reflect the reporting of educational achievement services provided to WIA enrolled youth. This information was disseminated to all WIA youth program staff and will be the policy followed going forward. The NOVA also provided JTA records to substantiate that the five youth participants reference above were enrolled in the appropriate educational achievement activity code.

**State Conclusion:** We consider this finding resolved.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Division. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than April 15, 2009. Please submit your response to the following address:

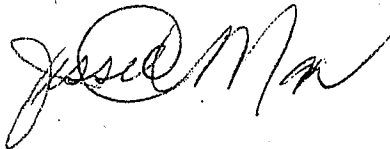
Compliance Monitoring Section  
Compliance Review Office  
722 Capitol Mall, MIC 22M  
P.O. Box 826880  
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is NOVA's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain NOVA's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Ms. Jennifer Patel at (707) 576-2017.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" written in a larger, more prominent script than the last name "Mar".

JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Division

cc: Terri Austin, MIC 50  
Daniel Patterson, MIC 45  
Jose Luis Marquez, MIC 50  
Dathan O. Moore, MIC 50